

# EXECUTIVE SESSIONS

## Why, Who, What, and How

Does your board meet in executive session on a regular basis? If not, this resource is designed for you. Executive sessions are a special meeting-within-a-meeting that provides an opportunity for the board to meet privately to handle sensitive and confidential issues, foster robust discourse, and strengthen trust and communication. They are usually exclusive to board members, but others, such as the chief executive, may be invited to join for all or part of a session. BoardSource recommends that every board should have regularly scheduled executive sessions before, during, or at the end of regular board meetings. As you review the information below, consider adding executive sessions to your board meeting schedules.

### WHY ARE EXECUTIVE SESSIONS REQUIRED?

Executive sessions serve three core purposes:

1. They assure confidentiality.
2. They create a mechanism for board independence and oversight.
3. They enhance relationships among board members and with the chief executive and professional advisors.

While the specific rationale for an executive session varies depending on the organization's culture and circumstances, certain issues require more candid, confidential conversations, and, consequently, a more limited audience.

Here are some situations that are often handled in executive sessions:

- Discussing financial issues with the auditor.
- Handling of personnel issues, such as the chief executive's compensation and performance review.
- Planning for major endeavors, such as a merger or real estate transaction.
- Handling of any matter where personal or organizational confidentiality is requested or prudent.

There also are crisis situations that should be assessed and addressed in total privacy before being brought in front of staff or outsiders who may attend board meetings. These include investigating and discussing alleged or actual improper conduct by a board member or chief executive.

### WHO PARTICIPATES IN EXECUTIVE SESSIONS?

The purpose of the meeting determines who should be present or excluded. Most often, executive sessions are private meetings for board members only with no staff present. However, there are numerous occasions when the chief executive, senior staff, constituents, or a professional advisor, are included — sometimes for only a portion of the session — and very much a part of the discussion.

#### WHAT IS APPROPRIATE TO DISCUSS?

Here are some situations that are often handled *without* the chief executive:

- Meeting with the auditor to review the organization's financial audit. This allows the board to receive unfiltered feedback about the organization's financial health and practices.
- Discussion of chief executive's performance review and compensation.
- Alleged or actual improper behavior by the chief executive

Here are some situations that are often handled with the chief executive:

- KPAWN – off-the-record discussions about what “keeps the president awake at night”
- Litigation
- Major business transactions or endeavors, such as a merger or real estate transaction
- Alleged or actual improper conduct by a board or staff member
- Crisis management

#### HOW DO WE KEEP EXECUTIVE SESSIONS EFFECTIVE AND APPROPRIATE?

- Establish a board policy that specifies the process for calling and conducting an executive session, guidelines for the routine use of executive sessions, and issues that are acceptable for closed meetings.
- Ensure that all executive sessions are held for their determined purpose only. After that purpose has been met, the session should end.
- If the chief executive is not in attendance, the board chair should inform the chief executive soon after of any specific conclusions or recommendations that surfaced during the meeting.
- Keep a written record of the proceedings. It is advisable to keep a written record of all executive session proceedings. While detailed minutes are often not necessary, the record should include the date, time, and place of the meeting, names of those people present, any actions taken, and any abstentions from voting if voting took place. These minutes are confidential and should be distributed to only those who were present in the session.

**Please note:** Those organizations that must follow sunshine/open meeting laws should verify their state statutes concerning executive sessions.